

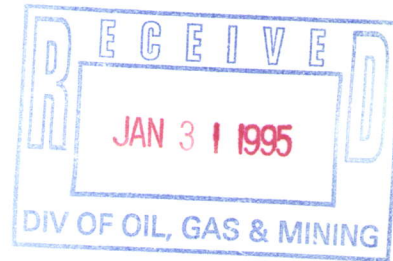


45/28
CHEMICAL LIME

DOGM
MINERALS PROGRAM
FILE COPY

January 30, 1995

Mr. D. Wayne Hedberg
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



Re: Formal Protest by the State of Utah, Division of State Lands & Forestry to
Chemical Lime Company of Arizona's Operating & Reclamation Plant M/045/028.

Dear Mr. Hedberg:

The protest by the State of Utah, Division of State Lands & Forestry (DOSL&F), concerns the disposition of the mining lease between that entity and Chemical Lime Company (CLC). Due to an administrative error, the lease payment invoices were not received by CLC for payment. It was only brought to our attention that this situation existed when this protest was submitted.

CLC has been in contact with the DOSL&F to resolve this issue. We have been notified that the expired lease must be submitted to a closed bid process before the situation is resolved. This process is scheduled to take place at the end of February 1995. CLC is intent in obtaining this lease.

Regarding the property in question, please note that there has been one core drill hole made towards the east end of the property. There is an access road across the property that predates the lease. Because an approved mining plan has not yet been formalized between CLC and the Division of Oil, Gas and Mining, no quarrying activity has occurred.

If there are any question that need to be addressed pertaining to this issue, please contact me at (801) 531-8153.

Sincerely,

Richard D. Beckstead
Plant Chemist
Chemical Lime Company - Grantsville, Utah

cc: Mike Bonnell - Chemical Lime Company - Fort Worth, Texas

CHEMICAL LIME COMPANY

P.O. Box 537 GRANTSVILLE, UTAH 84029 (801) 531 8153 (801) 884 3972 FAX (801) 884 6556